

1 RON BENDER (SBN 143364)
2 JULIET Y. OH (SBN 211414)
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5 Los Angeles, California 90067
6 Telephone: (310) 229-1234
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9 Attorneys for Chapter 11 Debtor and
10 Debtor-in-Possession

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UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
SANTA ANA DIVISION

In re:

THE SOURCE HOTEL, LLC, a
California limited liability company,

Debtor and Debtor in Possession.

Case No.: 8:21-bk-10525-ES

Chapter 11

**SUPPLEMENTAL DECLARATION OF
DONALD CHAE IN SUPPORT OF
DEBTOR'S SUPPLEMENTAL
OPPOSITION TO:**

- (A) MOTION OF SHADY BIRD LENDING,
LLC FOR ORDER EXCUSING STATE
COURT RECEIVER FROM
TURNOVER OF ASSETS PURSUANT
TO 11 U.S.C. § 543; AND**
- (B) NOTICE OF MOTION AND MOTION
FOR RELIEF FROM THE
AUTOMATIC STAY UNDER 11 U.S.C.
§ 363 (REAL PROPERTY)**

Hearing:

Date: June 3, 2021
Time: 2:00 p.m.
Place: ZoomGov

1 I, Donald Chae, hereby declare as follows:

2 1. I am the Manager and a member of DMC Investment Holdings, LLC, which is the
3 sole member of The Source Hotel, LLC, a California limited liability company and the debtor and
4 debtor-in-possession herein (the “Debtor”), and I am therefore familiar with the business
5 operations and financial records of the Debtor. In addition, I have been indirectly and directly
6 involved in the development, construction, and management of numerous commercial real estate
7 development and construction projects, including within Orange County in the State of California,
8 and therefore have knowledge and experience with respect to the commercial real estate market in
9 Orange County. I have personal knowledge of the facts set forth below and, if called to testify, I
10 would and could competently testify thereto.

11 2. I make this declaration in support of the Debtor’s supplemental opposition (the
12 “Supplemental Opposition”) to (A) the *Motion Of Shady Bird Lending, LLC For Order Excusing*
13 *State Court Receiver From Turnover Of Assets Pursuant To 11 U.S.C. § 543* (the “Receiver
14 Motion”), and (B) the *Notice Of Motion And Motion For Relief From The Automatic Stay Under*
15 *11 U.S.C. § 363 (Real Property)* (the “RFS Motion,” and together with the Receiver Motion, the
16 “Motions”) filed by Shady Bird Lending, LLC (“Shady Bird”) in the Debtor’s bankruptcy case.
17 All capitalized terms not specifically defined herein shall have the meanings ascribed to them in
18 the Supplemental Opposition.

19 3. Pursuant to the Receiver Motion, which I have reviewed, Shady Bird seeks the
20 entry of a Court order excusing Bellann R. Raile (the “Receiver”), who was appointed as receiver
21 over the Debtor’s assets pursuant to an ex parte order entered by the Los Angeles Superior Court
22 on February 17, 2021, from complying with the requirements of 11 U.S.C. § 543, specifically, the
23 requirement to deliver to the Debtor all property belonging to the Debtor over which the Receiver
24 currently has possession, custody or control, including, without limitation, the Debtor’s 85%
25 completed seven-story full-service hotel located in the City of Buena Park, County of Orange,
26 State of California (the “Hotel”).

27 4. Pursuant to the RFS Motion, which I have reviewed, Shady Bird contends that
28 cause exists under the Bankruptcy Code to grant relief from the automatic stay to permit Shady

Bird to foreclose on the Hotel because its interest in the Hotel is allegedly not adequately protected. Specifically, Shady Bird contends that its interest in the Hotel is not protected by an adequate equity cushion, and that the fair market value of the Hotel is declining due to the Debtor's purported failure to adequately maintain, protect, and secure the Hotel.

5. Both the Receiver Motion and the RFS Motion rely largely upon allegations that the Debtor has failed to adequately maintain, protect and secure the Hotel (which allegations the Debtor disputes). Shady Bird's allegations are supported by a declaration from Brent Little, a principal of Urban Advisory and Building Group, LLC ("Urban Advisory"), a consultant who was retained by the Receiver to conduct an inspection of the Hotel, and a written property inspection report prepared by Urban Advisory (the "Urban Advisory Report") at the Receiver's request. The Urban Advisory Report notes a number of maintenance and repair issues related to the Hotel, based on two Hotel site visits apparently made by Urban Advisory on March 3, 2021 and March 9, 2021, and contends that the construction of the Hotel is only 70% complete.

6. Shady Bird argues that, based on the issues described in the Urban Advisory Report, the value of the Hotel has been negatively affected (without any specific quantification of such negative effect), and that the Debtor cannot be trusted to maintain and preserve the value of the Hotel. Based on the foregoing, Shady Bird requests that the Receiver be excused from compliance with the turnover requirements of the Bankruptcy Code and that Shady Bird be granted relief from the automatic stay to foreclose on the Hotel.

7. The Debtor filed its opposition to the Receiver Motion on April 1, 2021 (the "Receiver Opposition"), and filed its opposition to the Receiver Motion on April 8, 2021 (the "RFS Opposition," and together with the Receiver Opposition, the "Oppositions").

8. As set forth in the Oppositions, I believe that the allegations made by Shady Bird regarding the Debtor's purported failure to adequately maintain, protect and secure the Hotel are false, greatly exaggerated, and/or misleading. As the party who has invested a significant amount of time, money, and resources into the development and construction of the Hotel, the Debtor has every incentive to preserve and maximize the value of the Hotel for the benefit of its creditors and equity holders. As described in detail in the Oppositions and the supporting Declaration of Robert

1 “Charlie” Cervantes (who is an employee of M+D Properties and oversaw the maintenance of the
2 Hotel until the Receiver was appointed), the Debtor and its manager, M+D Properties, took pains
3 to maintain, secure and protect the Hotel after construction halted in late 2019, and I believe that
4 the Hotel has been maintained as well as it can be under the circumstances.

5 9. As also noted in the Receiver Opposition, at the time that the Receiver Opposition
6 was filed, it did not appear to me that the Receiver had taken any affirmative steps since her
7 appointment in mid-February 2021 to address the purported maintenance and repair issues raised in
8 the Urban Advisory Report. Given the foregoing, I did not believe that the interests of creditors
9 were better served by having the Receiver remain in place, particularly where, as here, the Debtor
10 has the historical knowledge and experience to identify and address any maintenance and repair
11 issues related to the Hotel.

12 10. Further, as noted in the RFS Opposition, the “as is” value of the Hotel was
13 estimated to be at least \$40,900,000 in October 2019 (when construction halted) by HVS
14 Consulting & Valuation, a highly regarded, internationally recognized hotel valuation and
15 consulting company. Based on the appraised value of the Hotel, Shady Bird’s interest in the Hotel
16 is adequately protected by an equity cushion of approximately 40%. Although Shady Bird has
17 argued that, as a result of maintenance issues, the value of the Hotel has declined, Shady Bird does
18 not explain (or provide any evidence to demonstrate) how and in what amount the value of the
19 Hotel has purportedly declined since the Petition Date.

20 11. On April 8, 2021, Shady Bird filed its reply to the Debtor’s opposition to the
21 Receiver Motion (the “Receiver Reply”).

22 12. On April 15, 2021, Shady Bird filed its reply to the Debtor’s opposition to the RFS
23 Motion (the “RFS Reply,” and together, with the Receiver Reply, the “Replies”).

24 13. In support of the Replies, Shady Bird submitted substantially similar supplemental
25 declarations from Mr. Little of Urban Advisory seeking to respond to the statements made by Mr.
26 Cervantes regarding the maintenance of the Hotel in his declaration in support of the Oppositions.
27 Shady Bird also submitted substantially similar declarations from another consultant retained by
28 the Receiver, Andrew Trost of Carine Consulting (“Carine”), who performed a second evaluation

of the Hotel property. I have reviewed both of the Replies filed by Shady Bird. In his declaration, Mr. Trost noted a number of maintenance and repair issues related to the Hotel (many of which mirrored the issues discussed by Mr. Little of Urban Advisory in his declarations), and estimated that the hard construction costs necessary to complete construction of the Hotel ranged between \$8,000,000 to \$9,000,000, plus the costs of installing furniture, fixtures and equipment (“FF&E”) and other “soft” costs.

14. At the initial hearing on the Receiver Motion held on April 15, 2021, at which I appeared, the Court indicated that it was inclined to deny the Receiver Motion. However, during the course of such hearing, Shady Bird offered to “gift” funds up to \$200,000 (the “Gifted Funds”), which Gifted Funds would not be added to the Debtor’s loan balance or otherwise be asserted as an administrative or general unsecured claim against the Debtor and its bankruptcy estate, to permit the Receiver to make certain repairs and perform certain maintenance work on the Hotel. In light of the offer made by Shady Bird to provide the Gifted Funds, the Debtor consented to keep the Receiver in place on an interim basis, through June 3, 2021 (the continued hearing date for the Receiver Motion).

15. Thereafter, the Court continued the hearing on the RFS Motion to June 3, 2021, to be heard concurrently with the Receiver Motion.

16. The Receiver has kept the Debtor apprised of the work that she has commissioned for the Hotel and the terms of the proposals that she has entered into with third party contractors for such work. Set forth below is a summary of such proposals and work, which reflects that the Receiver has spent approximately \$95,000 to perform work on the Hotel since the initial hearing on the Motion:

Contractor/Vendor	Proposed Work	Proposed Cost
Lakewood Glass & Screen	Repair/replacement of broken and loose glass window	\$25,823.00
American Integrated Resources, Inc.	Moisture testing and water intrusion inspection	\$15,882.00
Best Incorporated	Roof repairs and maintenance, capping on balconies	\$31,650.00
Contractors Door Supply	Installation of temporary doors on the openings on the fourth floor	\$4,700.00

	(fire authorities were fine with temporary doors that are not fire rated at this time)	
Iron Mechanical	Construction shutdown/safe off for plumbing and mechanical systems	\$16,800.00
	Total:	\$94,855

True and correct copies of the foregoing proposals are collectively attached as **Exhibit 1** hereto.

17. The Receiver also provided the Debtor with a copy of the moisture testing and water intrusion inspection report commissioned from American Integrated Resources Inc. (the “Moisture Testing Report”), a true and correct copy of which is attached as **Exhibit 2** hereto.

18. Following the initial hearing on the Receiver Motion, the Debtor obtained its own property inspection and evaluation report from Matthew L. Sams of SC Wright Group (“SCW”). A true and correct copy of the report prepared by SCW (the “SCW Report”) is attached as **Exhibit A** to the Declaration of Matthew L. Sams filed concurrently herewith (the “Sams Declaration”).

19. In short, the SCW Report confirms the Debtor’s estimate of the completion of construction of the Hotel (at 85%), confirms the Debtor’s estimates of the costs and time required to complete construction of the Hotel, confirms that the allegations made by Shady Bird regarding the Debtor’s purported failure to adequately maintain, protect and secure the Hotel are greatly exaggerated, and confirms that the Hotel property has been adequately maintained and is in good condition (particularly after the work that has been performed by the Receiver using some of the Gifted Funds from Shady Bird).

20. On April 29, 2021, the Receiver informed the Debtor (through its counsel) that, after meeting with contractors, she has learned that it is not practical for her to complete the fire sprinkler system due to the current state of construction as such system will not be operational until the controls, smoke detectors and drywall are installed. This is consistent with my experience and understanding regarding the timing of completion of fire sprinkler systems in commercial properties.

EXHIBIT “1”



17828 Bellflower Blvd.
Bellflower, CA 90706
www.lakewoodglass.com

Contractors State License No. 693199

Phone: (562) 866-4443

Fax: (562) 867-6149

Estimate

Date	Estimate #
4/29/2021	6693

Name / Address
CORDES & COMPANY GLORIA TORRES 714-836-8346

Ship To
THE SOURCE HOTEL 6988 BEACH BLVD. BUENA PARK, CA 90621

Customer Phone	Customer Fax	Cell Phone	Customer E-mail	Rep	Job #
714-836-8346			GROSSI@CORDESCO.COM	MLS	
Description				Cost	Total
SUPPLY AND INSTALL VIRACON TEMPERED INSULATED GLASS CURTAIN WALL GLAZING SYSTEM EXISTS.					0.00
1" OVERALL VIRACON VRE-38 INSULATING GLASS FT/FT 1/4" CLEAR FULLY TEMPERED VRE-38 #2, 1/2" MILL FINISH AIR SPACER, 1/4" CLEAR TEMPERED					
1-48 1/4" x 98" (Label 1) (BOARD UP ON BRENNER/DRIVE THRU)					
1-83 7/8" x 95 1/4" (Label 2) (BROKEN OUTBOARD GLASS ON BRENNER/DRIVE THRU)					
1-89" x 95 1/4" (Label 3) (BROKEN OUTBOARD GLASS ON BRENNER/DRIVE THRU)					
1-108" x 82" (Label 4) (BROKEN OUTBOARD GLASS ON BRENNER/ORANGETHORPE CORNER OF BUILDING) (CLERESTORY)					
1-88 1/8" x 97" (Label 5) (ORANGETHORPE BOARD UP)					
1-95 1/4" x 66" (Label 6) (BROKEN OUTBOARD GLASS ON BRENNER/DRIVE THRU) (CLERESTORY) RE-USE ALL EXISTING CURTAINWALL METAL AND VINYL INSTALLED WITH SALES TAX (TOTAL 318 SQ FT APPROX)				25,548.00	25,548.00
TRANSOM GLASS LOOSE AT FRONT MAIN INTERIOR ENTRANCE 1-72 X 42 APPROX RE-INSTALL ALUMINUM GLASS STOPS SEAL GLASS AND REVINYL AS REQUIRED INSTALLED WITH SALES TAX				275.00	275.00
INCLUDES:					
Deposit Of \$ _____ and Balance Of \$ _____ Type# _____				Date: _____	
Lakewood Glass and Screen Inc. warrants that all materials and workmanship will meet applicable specifications for one year. We are not responsible for damage to material, frames or glass breakage after installation furnished by us, covering or masking our materials for protection from job site activities or other trades. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders and will become an extra charge over and above the estimate. Price does not include cost for temporary fencing, demo, painting, blocking, framing, parking fees, final construction cleaning, permits, plans and specs, Waiver of Subrogation is additional \$150.00/Waiver charge. Work to be done during normal business hours M-F unless otherwise specified. All Agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workmen's Compensation Insurance.				Subtotal	
				SALES TAX INCLUDED	
ACCEPTANCE OF PROPOSAL - The Above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do work as specified. Payment will be made as outline above. This Proposal is subject to acceptance within 30 days and it is void thereafter at the option of Lakewood Glass and Screen Inc.				Total	
A processing fee of 3.25 % will apply for any debit or credit card transactions.					
AUTHORIZED BY: <i>Bellann Raile</i> solely in her capacity as receiver				DATE: 5/3/21	



17828 Bellflower Blvd.
Bellflower, CA 90706
www.lakewoodglass.com

Contractors State License No. 693199

Phone: (562) 866-4443

Fax: (562) 867-6149

Estimate

Date	Estimate #
4/29/2021	6693

Name / Address
CORDES & COMPANY GLORIA TORRES 714-836-8346

Ship To
THE SOURCE HOTEL 6988 BEACH BLVD. BUENA PARK, CA 90621

Customer Phone	Customer Fax	Cell Phone	Customer E-mail	Rep	Job #
714-836-8346			GROSSI@CORDESCO.COM	MLS	
Description				Cost	Total
REMOVE EXISTING BROKEN GLASS, HAUL AWAY, DISPOSAL					
REMOVE EXISTING BOARD UP, HAUL AWAY, DISPOSAL					
INSTALLATION					
SALES TAX					
SHIPPING GLASS FROM MINNESOTA					
SCAFFOLDING					
EXCLUDES:					
FINAL CLEANING					
STRUCTURAL ENGINEERING					
SHOP DRAWINGS					
CURTAINWALL REPLACEMENT METAL					
POWDERCOAT PAINT					
REPLACEMENT VINYL					
Sales Tax				9.50%	0.00

Deposit Of \$ _____ and Balance Of \$ _____ Type# _____ Date: _____

Lakewood Glass and Screen Inc. warrants that all materials and workmanship will meet applicable specifications for one year. We are not responsible for damage to material, frames or glass breakage after installation furnished by us, covering or masking our materials for protection from job site activities or other trades. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders and will become an extra charge over and above the estimate. Price does not include cost for temporary fencing, demo, painting, blocking, framing, parking fees, final construction cleaning, permits, plans and specs, Waiver of Subrogation is additional \$150.00/Waiver charge. Work to be done during normal business hours M-F unless otherwise specified. All Agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workmen's Compensation Insurance.

Subtotal \$25,823.00

SALES TAX INCLUDED

ACCEPTANCE OF PROPOSAL - The Above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do work as specified. Payment will be made as outline above. This Proposal is subject to acceptance within 30 days and it is void thereafter at the option of Lakewood Glass and Screen Inc.

Total \$25,823.00

A processing fee of 3.25 % will apply for any debit or credit card transactions.

AUTHORIZED BY:

Bellann Raile

DATE:

5/3/21



Proposal

Cordes & Company

Bellann Raile, Managing Director
2030 Main St., Suite 1300
Irvine, CA 92164

April 25, 2021
P-2435

Subject: The Source Hotel Limited Moisture Testing 5 Floors and Final Report

Dear Bellann Raile,

American Integrated Resources, Inc. is pleased to submit an estimate to provide all labor, materials, equipment and other expenses necessary for moisture testing and water intrusion inspection located at the above referenced project in accordance with the scope of work below.

SCOPE OF WORK

Moisture Testing and Limited Water Intrusion Inspection (5 Floors):

- I. Perform preliminary inspection to identify possible points of water intrusion into building and determine moisture testing protocols and locations.
- II. Perform moisture testing using state of the art moisture meters on the 1st, 4th, 5th, 6th, and 7th floors. Mark locations on existing walls and/or ceilings where moisture is found and level of moisture per location. Sketch of each floor tested and noting locations of walls and/or ceilings that were marked. Marking and notes on walls and/or ceilings to match plot map which will be included in final report.

Final Report and Plot Map:

- I. Provide report of findings and plot map with locations of all areas tested throughout 1st, 4th, 5th, 6th, and 7th floors.

Notes and Conditions

- A. This proposal including all terms and conditions shall be considered part of the contract for this project.
- B. Owner to provide parking and power for the duration of the project.
- C. The prices in this proposal are based on completing the project in 1 mobilization. If additional mobilizations are required, they will be charged at \$500.00 per mobilization.
- D. Inspection and report will be based on preliminary inspection to determine where water could have entered wall cavities and ceiling cavities due to missing doors and openings on exterior walls where electrical J-Boxes were missing cover plates and were not sealed.
- E. Extent of possible water intrusion and associated possible mold infestation will only be determined by visual inspections to determine moisture testing locations. For full comprehensive moisture testing, extensive destructive sampling of walls, ceilings, and floors would be required. This type of inspection is not included in the scope of this work, however a price can be provided for this type of inspection.



- F. Moisture levels above 1% on moisture meter will be noted on final report and marked on affected substrates such as walls and ceilings. Optimal moisture levels in drywall and plaster range from 5% to 12%.
- G. Relative moisture levels in air of impacted areas inside building below 30% or above 50% will be noted on final report.
- H. This pricing is based on non-prevailing wage rates.

Exclusions to scope of work

- A. Special Insurance or Bonds.
- B. Site Security.
- C. Full Comprehensive Moisture Testing which includes destructive sampling.

SUPERVISOR/WORKER TRAINING:

American Integrated will use only supervisors and workers who have received OSHA Worker Training approved per federal, state and county regulations.

Procedures:

Contractor is a certified contractor in CA, License #947563. All Local, State, and Federal EPA & OSHA codes regarding the environment and worker safety will be strictly adhered to.

Schedule:

To be mutually agreed upon by American Integrated Resources and Cordes & Company.

***Monday to Friday 7:00am to 3:30pm
(Weekends & Holidays Excluded)***

Pricing:

MOISTURE TESTING AND WATER INTRUSION INSPECTION

**TOTAL SUM OF = \$15,882.00
(Additional Mobilizations at \$500.00 per.)**

Insurance:

American Integrated will provide General liability insurance certificate when requested.

Payment: Payments are to be made as follows:

- All payments are due 7 days after client pays, every 30.
- 5% retention to be released upon completion
- All legal fees shall be paid for by G.C. or Owner if payment is not paid in full by the terms set above.
- Failure by Client to pay all earned fees assessed will result in closure of Client's file, followed by appropriate collection activity that includes but is not limited to assignment to collection agency or collection attorney. Client agrees that in the event of collection proceedings for unpaid fees as described herein, Client will pay all related collection costs and fees, including collection agency fees, attorney's fees, lawsuit complaint filing fees, process services fees, private investigator fees, court costs, expert witness fees/costs and any other such fees incurred by The Company as a result of enforcing any breach of this Agreement.

If you have any questions, or need additional information or clarification, please feel free to contact me at (714) 921-4100 ext. 16



Respectfully Submitted,

Antonio Soto, Estimator

AMERICAN INTEGRATED RESOURCES, INC

Accepted by:

Company: Cordes and Company, Bellann Raile solely in her capacity as receiver for The Source Hotel

Signature: *Bellann Raile* Date: 5/5/21



SERVICE WORK PROPOSAL

Contractor's License Number 456263

Page 1 of 7

Date: May 5, 2021

Ref: WO #14298

Subject: Roof Repairs/Restoration

Proposal #: 4441

Proposal For:	Bellan Raile	Proposal No:	4441
Company:	Cordes and Company	Phone:	(949) 433-7435
Address:	2030 Main St Suite 1300 Irvine, CA 92614	Fax:	(949) 433-7435
Project:	WO #14298 Source Hotel	Email:	bellann@cordesco.com
Project Address:	6940 Beach Blvd, Buena Park, CA 90621		
Price:	\$31,650.00		

Customer request/Reported Issues

Bellan Raile, Managing Director, Cordes and Company, is requesting a proposal for roof leaks that occur on the 7th floor in rooms 701, 738 and 739. In addition to roof repairs, a request for quote for the completion of sheet metal coping on the 7th floor balconies.

Site Conditions/Observations -- Main roof

Roof inspection made 4/12/21 and 04/23/21

- ❖ The existing roof is a "Sarnafil" fully adhered PVC single ply membrane. The roof is approximately 2-4 years old.
- ❖ Minor roof damage noted during time of inspection. Cuts and punctures in the single ply roof membrane noted at various locations. The source of damage is unknown however was caused by other trades during construction.
- ❖ Several roof penetrations/pipe penetrations and window washing davit roof penetrations need sealant and draw band clamps. (this is a source for water intrusion during inclement weather)
- ❖ Large cuts/slices observed in the roof membrane near reported leak areas.
- ❖ Incompatible sealants noted just outside of the roof access doorway. This was likely an attempt to repair leaks in that area. This type of repair will void the roof system warranty if not repaired according to Sarnafil manufacture recommendations and guideline. Note "Sarnafil" is the brand name of existing roof system.
- ❖ Roofing companies must be certified and approved through the manufacture to install this type of roof system.



SERVICE WORK PROPOSAL

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Page 2 of 7

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Site Conditions/Observations – 7th Floor balcony coping metal

- ❖ Missing coping metal approximately 78 lineal feet. Width of existing coping metal is 31" and 18 ¾" in width

Site Conditions/Observations -- 4th floor roof at mechanical area

- ❖ The existing roof is in good condition however there were several fasteners, sharp metal objects and debris observed during the time of inspection
- ❖ Some minor damage noted in a couple location on the PVC membrane

RECOMMENDATIONS / SCOPE OF WORK

Leak Repairs Over Rooms 701, 738 & 739 - \$5,600.00

- ❖ **701-** Repair large cuts in the roof membrane using Sarnafil PVC membrane 2'x8' patch and up to (5) additional PVC membrane repairs in the general area ranging in size from 8" circular to 8"x8"
- ❖ **738 & 739-** Inspect roof membrane and repair cuts, punctures, and gouges in the general area over reported leak areas

General Roof Maintenance - \$15,000.00

- ❖ Inspect main roof and install Sarnafil membrane repairs to Punctures, cuts, and damage
- ❖ Prepare roof at (2) locations just outside the threshold, on the roof where others had attempted to repair the roof. Each new patch will be approximately 3'x4'
- ❖ Prepare roof surface where liquid leaked onto the surface and dried at 1 location approximately 5'x5'
- ❖ Install new pipe clamps and sealant to all pipe penetrations and davit support pipe penetrations approximately 64-67 locations See (Photos for descriptions)
- ❖ Inspect all seams of the PVC membrane and repair as needed

7th Floor Balcony Coping Metal - \$8,500.00

- ❖ Fabricate and install up to 80 lineal feet of new 22ga or 24gauge sheet metal coping to match existing coping metal profile.

4th Floor Mechanical Roof Area - \$2,550.00

- ❖ Pick up loose debris and fasteners from the roof surface
- ❖ Inspect roof membrane for cuts, punctures or gouges and repair with PVC membrane



SERVICE WORK PROPOSAL

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Page 3 of 7

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ADDITIONAL CLARIFICATION:

- ❖ All roof repairs will be done in strict accordance with manufacture recommendations
- ❖ There will be no warranty offered for roof repairs

EXCLUSIONS:

- ❖ All carpentry, wood, crickets, gypsum board or parapet wall backing
- ❖ HVAC, mechanical or related duct work, electrical and plumbing (including drains)
- ❖ Demolition, abatement, or substrate repairs
- ❖ Protection of completed work from damage by other trades or construction traffic
- ❖ Temporary roofing or temporary weather protection
- ❖ Permits, or special fees required for loading
- ❖ Compliance with Title 24
- ❖ Flood or water testing
- ❖ Inspection, testing and consultant costs and fees
- ❖ All work shall be performed during normal business hours
- ❖ Payment and performance bond
- ❖ Repairs at existing, unless noted above
- ❖ All other work not specifically stated under Scope of Work above

INCLUSIONS:

- ❖ Labor, material, equipment, and supervision, including all applicable taxes required completing the project.

NOTES:

1. Validity 30 days from date of proposal.
2. Prices are based on one continuous project. Should the project be interrupted at the clients instruction, there will be a charge of: \$1,250.00/per each additional move-in.
3. Proposal price is based on executing this BEST Contracting Services, Inc. proposal, Terms and Conditions. Your acceptance of this proposal may be made by signing this proposal.
4. **Under no circumstance will this proposal be performed under a client's Subcontract Agreement.**
5. A copy of Best's Certificate of Insurance to complete the job will be issued covering General Liability, Auto, and Workman's Compensation. **We will not provide Additional Insured Certificates for Service related work.**
6. Upon receipt of our signed proposal (signed by an agent authorized to bind Contracts on behalf of your firm), or receipt of your Purchase Order, we will schedule the described work to be started.



SERVICE WORK PROPOSAL

Contractor's License Number 456263

Page 4 of 7

Date: May 5, 2021

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PAYMENT TERMS:

INVOICE IS PAYABLE UPON RECEIPT.

- *Absolutely no retention is to be withheld from the contract price of this Service Order proposal.*
- *All unpaid amounts will accrue interest at the annual rate of 10%.*

We appreciate the opportunity to submit this bid and look forward to working with you towards the successful completion of your project.

Should you have any questions, please don't hesitate to contact me at: (310) 328-6969 – Ext. 259

Respectfully Submitted:

Michael Jimenez,

BEST Contracting Services, Inc.



SERVICE WORK PROPOSAL

Contractor's License Number 456263

Page 5 of 7

Date: May 5, 2021

Ref: WO #14298

Subject: Roof Repairs/Restoration

Proposal #: 4441

Price: \$31,650.00

SPECIAL NOTE:

- ❖ The construction industry is currently experiencing rapidly escalating prices and material availability problems relating to isocyanurate insulation, steel construction and asphalt-based roofing products. The availability and pricing of isocyanurate, steel and some roofing products is currently subject to sudden significant change beyond the control of the construction contractors. Because of the difficulty in obtaining firm prices for isocyanurate, steel and petroleum-based products from its' suppliers, BEST Contracting Services, Inc. cannot provide fixed, firm prices for isocyanurate and steel products for future projects. If there is an increase in the price of isocyanurate, steel or petroleum-based products charged to BRW subsequent to making this proposal/contract, the price set forth in this proposal/ contract shall be increased to reflect the additional cost to BEST Contracting Services, Inc. upon BEST's submittal of written documentation of the increased charges.
- ❖ For projects performed after October 1, 2005, the California Code Title 24 Part 6, requires new roofing standards for buildings that are electrically air conditioned and have a roof slope of 2:12 or less. The specifications for the project in this proposal may or may not have been written to comply with this new law. If the specifications to which we submitted this proposal do not meet these new requirements a price increase may be necessary. Please call your BEST Account Executive whose name appears on this proposal with any questions.

Authorization to Proceed:

The Terms and Conditions attached herewith are expressly incorporated into this proposal and form the contract between both parties.

- Please note that under no circumstance will this proposal be performed under a client's sub-contractor agreement if the value of this proposal is under \$10,000.00.
- Absolutely no retention is to be withheld from the contract price of this Service Work proposal.

COMPANY NAME

BY: _____

PRINTED NAME & TITLE

SIGNATURE

DATE: _____



SERVICE WORK PROPOSAL

Contractor's License Number 456263

Page 6 of 7

Date: May 5, 2021

Ref: WO #14298

Subject: Roof Repairs/Restoration

Proposal #: 4441

Main Office:

19027 S. Hamilton Avenue

Gardena, CA 90248

Tel: (310) 328-6969, Fax: (310) 212-0693

Northern California Office:

29300 Pacific Avenue

Hayward, CA 94544

Tel: (510) 886-7240, Fax: (510) 886-7322

GENERAL TERMS & CONDITIONS

Proposal Number: 4441
Project Name: WO #14298
Building Name: Source Hotel
Jobsite Address: 6940 Beach Blvd, Buena Park, CA 90621
Proposed to (name): Bellan Raile
Company: Cordes and Company
Address: 2030 Main St Suite 1300
Irvine, CA 92614

Conditions of Proposal:

Acceptance of this proposal by Contractor shall be acceptance of all terms and conditions recited herein and shall supersede any conflicting term in any other contractor's document or project advertisement. Any of the Contractor's terms and conditions in addition or different from this proposal are objected to and shall have no effect. Contractor's agreement herewith shall be evidenced by Contractor listing BEST Contracting Services, Inc. in its bid documents or by permitting BEST Contracting Services, Inc. to commence work for this project.

1. Invoice is payable upon receipt. ***Absolutely no retention is to be withheld from the contract price of this Service Order proposal.***
2. BEST Contracting Services, Inc. will carry workman's compensation insurance covering contractor's employees and liability insurance covering the operation of trucks and automobiles. BEST Contracting Services, Inc. will also take out and maintain General Liability Insurance.
3. Best Contracting Services, Inc., shall be given reasonable time in which to make delivery of materials and/or labor to commence and complete the performance of the contract. BEST Contracting Services, Inc., shall not be responsible for delays or defaults where occasioned by causes of any kind and extent beyond its control, including but not limited to: delays caused by the Owner, architect and/or engineers, delays in transportation, shortage of raw materials, civil disorders, labor difficulties, vendor allocations, fires, floods, accidents and acts of God. BEST Contracting Services, Inc., shall be entitled to equitable adjustment in the contract amount for additional costs due to unanticipated project delays or accelerations caused by others whose acts are not BEST Contracting Services, Inc.'s responsibility and to time extensions for unavoidable delays.
4. Work called for herein is to be performed during regular working hours. All work performed outside of such hours shall be charged for at the rates or amounts agreed upon by the parties at the time overtime is authorized.
5. Owner shall purchase and maintain risk insurance upon full value of the entire work and/or materials delivered to the job site, which shall include the interest of BEST Contracting Services, Inc.
6. BEST Contracting Services, Inc. will indemnify and hold harmless the Owner from damages only to the extent such damages, were caused by sole negligent act or omission of BEST Contracting Services, Inc.
7. If unexpected conditions are encountered during the work, or if the Owner, Owner's agent or any public body inspector directs additional or modifications to the work and the conditions adversely affect the cost or progress of work, BEST Contracting Services, Inc. will notify the Owner immediately, and the Owner will negotiate a change – order to resolve the unexpected condition.
8. The Owner shall grant free access to work areas for workers and vehicles and shall provide storage areas for storage of material and debris. BEST Contracting Services, Inc. shall not be liable for damage to driveways, walks, lawn and shrubs caused by movement of trucks, workers or equipment in discharging the contract.
9. During the roofing project it is often necessary to raise pipes, conduit and air conditioning units to roof under them. BEST Contracting Services, Inc. will exert due diligence to handle these items with care, however, BEST Contracting Services, Inc. will not

19027 S HAMILTON AVE, GARDENA, CA 90248 U TEL: (310) 328-6969 FAX: (310) 217-8938

WEBSITE: WWW.BESTCONTRACTING.COM



SERVICE WORK PROPOSAL

Contractor's License Number 456263

Page 7 of 7

Date: May 5, 2021

Ref: WO #14298

Subject: Roof Repairs/Restoration

Proposal #: 4441

accept any liability for damage to pipes, conduits, air conditioners and ducting or other roof top mounted equipment which is raised or moved during the normal roofing activity.

Similarly BEST Contracting Services, Inc. is not responsible for the operational condition of these items after reinstallation.

10. Foil or insulation attached between roof members on the underside of the roof deck can be disturbed during normal roof activities. BEST Contracting Services, Inc. will not accept any liability for condition of foil or insulation secured to the underside of the roof structure or other interior items, which may be dislodged or moved as a consequence of normal exterior roofing activities. Similarly, dirt and dust will fall into the building. It is incumbent upon the occupant to protect sensitive machinery, equipment, and inventory during this phase of the roofing project.
11. The Uniform Building Code and some city building codes specify that the roof is to have positive drainage. BEST Contracting Services, Inc. shall not be held responsible if the design or structure of the deck being roofed does not conform to these requirements with resulting standing water.
12. This document and all documents incorporated by reference constitute the parties' entire agreement. No other agreements, oral or written, regarding the work to be performed under this agreement exist between the parties.
13. This agreement shall be construed in accordance with and governed by, the laws of the state of California.
14. Unless the agreement specifically calls for the removal, disturbance, or transportation of asbestos containing material or other hazardous substances, the parties acknowledge that such work requires special procedures, precautions and/or licenses. If BEST Contracting Services, Inc. encounters such substances, BEST Contracting Services, Inc. will immediately stop work and take steps to institute the special procedures, licenses and precautions. Such work will be treated as a change under this contract.
15. BEST Contracting Services, Inc.'s equipment and work (except repairs) guaranteed for a period of one year from the date of substantial completion or use by the Contractor or the Contractor's customer, whichever is earlier. THIS WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. The exclusive remedy shall be that BEST Contracting Services, Inc., shall replace or repair any part of its work, which is found to be defective. BEST Contracting Services, Inc., shall not be responsible for damage or defect caused by abuse, modifications not executed by BEST Contracting Services, Inc., improper or insufficient maintenance, improper operation or normal wear, tear and usage.
16. The prices given in all quotations are those currently in effect. In the event of price increase of material, supply, equipment, or energy occurring between the date of this proposal and the first day of performance of the contracted work through no fault of the BEST Contracting Services, Inc., the contract sum shall be equitably adjusted by change order(s) to reflect the price increase(s).

NOTICE TO OWNER:

Under the California Mechanic's Lien Law, any contractor, subcontractor, laborer, supplier, or other person or entity who helps improve your property, but is not paid for his or her work or supplies, has the right to place a lien on your home, land or property where the work was performed and to sue you in court to obtain payment.

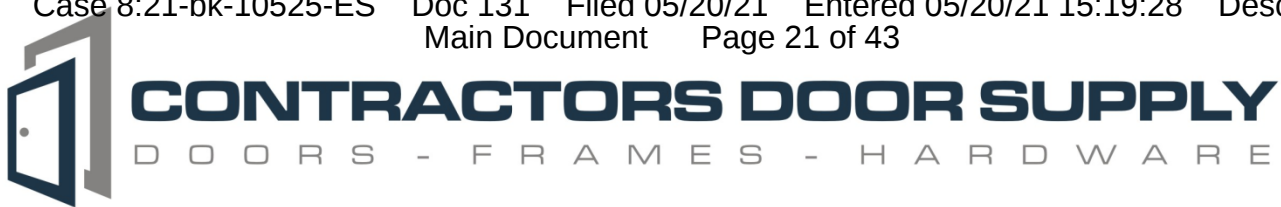
This means that after a court hearing, your home, land and private property can be sold by a court officer, and the proceeds of the sale used to satisfy what you owe. This can happen even if you have paid your contractor in full and if the contractor's subcontractors, laborers or suppliers remain unpaid.

To preserve their rights to file a claim or lien against your property, certain claimants such as subcontractors or material suppliers are each required to provide you with a document "Preliminary Notice". Contractors and laborers who contract with Owners directly do not have to provide such notice, since you are aware of their existence as an Owner. A preliminary notice is not a lien against your property. Its purpose is to notify you of persons and entities that may have a right to file a lien against your property if they are not paid. In order to protect their lien rights, a contractor, subcontractor, or laborer must file a mechanic's lien with the county recorder, which then becomes a recorded lien against your property. Generally the maximum time allowed for filing a mechanic's lien against your property is 90 days after substantial completion of your project.

END OF DOCUMENT

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WEBSITE: WWW.BESTCONTRACTING.COM



1060 Calle Cordillera #106

San Clemente Ca 92673

CSLB# 996525 DIR# 1000013428

The Source Hotel . 4th floor temp doors

Bellann Raile, Managing Director

949-433-7435

Cordes and Company

2030 Mail St, Suite 1300. Irvine CA 90614

Section: Temporary door installation

1. RH door. Same prep as #5
2. LH door. Frame prepped same as #5
3. LH door, 36x93 ½". Latch bolt to concrete to temp secure. Pivots required
4. RH door 36x84 Prepped for cont hinges. Bolt to floor to secure.
5. RH door 36x84. Hinge preps at 7 ½, 39 7/16, 71 3/8 ASA prepped.
6. LH door, same prep as #5
7. RH exterior door. Seperates properties. Use bottom 2 hinges. Top hinge prep damaged.
8. Create temporary/ secured doors at exterior stairs. Add 2 verticle jambs to short walls, single door, block off sidelight.

Price includes stairwell only access, and delivery of onsite power generator.

***The above Sections furnished freight allowed to job-site,
tax included for Total Sum of \$4700.00***

CONDITIONS

1. The above proposal is subject to withdrawal or revisions if not accepted within 30 days. Quotations are subject to stenographic errors.
2. When required, shop drawings will be furnished and when approved by the purchaser or architect, they shall be deemed to be the correct interpretation and design and dimensions.
3. The customer agrees to provide adequate storage facilities for the materials delivered to the job and to furnish necessary light and power and elevator service if available, if contract calls for installation.
4. No back charges will be accepted by us unless specifically agreed in writing.
5. We will not be responsible for loss or damage arising from delays caused by lack of correct or complete data; by changes or revisions; by late approval of drawings, by fire, floods, strikes, lockouts, riots, by accidents in plants of those furnishing us with materials; by inability to obtain material or skilled labor by delays of transportation carriers or by any other causes beyond our control.
6. Should the purchaser tender his own purchase order or contract, all terms and conditions of the proposal shall by this reference, be incorporated therein.
7. Terms: Net 30 days
8. EIN # 33-0984528
9. Credit Card payments accepted. 3% added to total charge for card processing service.

Accepted _____

Date _____

By Kyle Phillips
Kyle@contractorsdoorsupply.com



IRON MECHANICAL

May 13, 2021

To: Cordes & Company
Bellann Raile, Managing Director
2030 Main St., Suite 1300
Irvine, CA 92614

From: Brad Millwee

Subject: The Source Construction Shutdown/Safe Off

Dear Ms. Raile,

Thanks in advance for the opportunity to partner up with you and Cordes & Company on this project. Our price is for the Construction Shutdown/Safe off Plumbing and Mechanical systems for the above-referenced project.

	Plumbing	Mechanical
Base Bid	\$16,800.00	

Base Bid Inclusions:

- Cover and seal curbs and unfinished MAU shafts at roof.
- Cover/Seal all open duct and registers throughout building
- Removal of any loose debris and misc. parts associated with plumbing and HVAC systems left on roofs.
- Anchor all equipment onto the mechanical equipment rack located at the Mechanical yard on the 4th floor.

HVAC and Plumbing Base Bid Exclusions:

- Equipment rigging
- Equipment removal
- Demolition or removal of existing plumbing or mechanical piping, duct, or equipment
- Repairs of existing plumbing or mechanical systems that do not meet current code requirements
- Seismic upgrades to existing plumbing or mechanical systems to remain
- Permits or fees
- Engineering
- Abatement
- Flushing existing hydronic system.



IRON MECHANICAL

- Concrete cut, break, and removal
- Line voltage demolition
- Prevailing wages
- Service to and equipment
- Evaluate equipment in any way
- Any work on waste lines

General Exclusions

Permits and fees, bond premium, fire protection service, electrical work, (conduit and high voltage), electrical interlock wiring, motor starters, roof and wall openings and structural supports, curb leveling, conflicts with existing utilities, demolition, painting of pipe or ductwork, overtime work.

Sub-Contractor Requirements

Our budget is based on Iron Mechanical Shop rates. This quote includes material pricing at the time of bid and excludes all increases due to market fluctuations. This quote is only good for 90 days from "Bid Date". Our estimate is subject to change once the final plans are designed & reviewed. This proposal assumes Title-24/California Energy Code compliance shall be achieved using the performance approach. It includes a complete system and equipment that will comply with all mandatory measures of the 2013 energy code. The scope of this proposal does not specifically include or address provisions for compliance with any of the prescriptive requirements in section 140.4 Prescriptive Requirements for Space Conditioning Systems and/or section 140.9 Prescriptive Requirements for Covered Processes. Note that the premise of our proposal amount (sum) is based upon 5% retention on monthly invoices, with retention reverting to 0 at Iron Mechanical's substantial (90%) completion of the work. This qualified proposal is conditioned upon acceptable contract language between buyer and seller in the final agreement.

Terms and Conditions

During the contract administration process, the parties agree to work together to establish fair and equitable language for both parties within the subcontract agreement.

We again thank you for taking the time to review our proposed budget. Should you have any questions, please do not hesitate to contact me.

Brad Millwee
Chief Estimator
Iron Mechanical

EXHIBIT “2”



American Integrated Resources, Inc.

Bellann Raile
CORDES & COMPANY
2030 Main Street, Suite 1300
Irvine, CA 92614
949-433-7435
bellann@cordesco.com

May 17, 2021

Subject: Interior Moisture Investigation Report
The Source Hotel
6988 Beach Boulevard
Buena Park, CA 90621

American Integrated Resources, Inc. (AIR) is pleased to submit this Interior Moisture Investigation Report for The Source Hotel located at 6988 Beach Boulevard in Buena Park, CA 90621.

On May 10 – 12, 2021 Mr. Howard Baba, Senior Project Manager of American Integrated Resources, Inc. conducted the investigation of the ground level floor, 4th floor, 5th floor, 6th floor, and 7th floor of the subject facility. The hotel is currently closed and in an under-construction, unfinished condition. The hotel is seven-stories with 178 rooms. There is a rooftop pool on the 4th floor. There are (2) guest elevators and (1) freight elevator.

The investigation consisted of a visual inspection and moisture content testing of interior gypsum wallboard surfaces. The use of a Delmhorst BD-2100 meter was used to measure the moisture of wall surfaces. As part of the investigation the humidity and temperature were also recorded.

The visual inspection consisted of a walk-through of every room of each of the indicated floors to look for any signs of water leaks, water damage and staining. The areas of the investigation included the guest rooms, corridors, elevator lobbies, stairwells, service and housekeeping rooms, laundry rooms, vending/ice rooms, storage rooms, and unlocked electrical rooms.

The moisture testing consisted of measuring moisture content of the bottom 4-inches where water would most likely be prone to collect on interior wall surfaces at the following targeted locations:

- Below windows
- Behind walls where a water source exists (sinks, faucets, showers, tubs, etc.)
- Building perimeter walls
- Partition walls
- Bathroom walls
- Corridors
- Ceilings



American Integrated Resources, Inc.

Baseline readings were collected on each floor prior to the testing. Baseline samples are taken on representative walls that are not expected to have elevated moisture and taken at a level where water would not collect.

The following table is a summary of the findings:

Floor	Moisture Reading Range (%)	Baseline Reading (%)	Humidity (%)	Temperature (F°)	Notes
7	0.2 – 0.5%	0.3 – 0.4%	40.4 – 42.8%	75.7 – 76.4°	Musty odor
6	0.1 – 0.5%	0.3 – 0.4%	39.5 – 40.2%	78.0 – 78.8°	Slight musty odor
5	0.1 – 0.6%	0.3 – 0.4%	48.3%	75.7°	Slight musty odor
4	0.2 – 0.6% *(0.8%) see note below	0.3 – 0.4%	47.1 – 49.0%	71.7 – 72.6°	No odor. Floor exposed to outdoor elements
1	0.2 – 0.6% **(0.8%) see note below	0.3 – 0.4%	50.8 – 58.5%	65.4 – 73.4°	No odor. Floor exposed to outdoor elements.

NOTES:

Readings of 0 to 0.4% = No elevated moisture

Readings of 0.5 to 0.9% = Cautionary level

Readings of 1.0% and up = Elevated moisture

The meter was calibrated before and after use on each day.

Normal Indoor Humidity is 30 – 50%

*One reading of 0.8% was measured in Room 445 behind the bathroom sink wall. Although this level does not indicate an elevated reading, it was found to be higher than all the other readings and was therefore noted.

**One reading of 0.8% was measured at the open westside of the first floor on the wall next to where a small amount of oily water has accumulated. Possible spill of some sort.



American Integrated Resources, Inc.

OBSERVATIONS:

- Water staining possibly from a roof leak was observed above the bathroom entrance door in Room 738. The moisture reading however was 0.2 – 0.3% (normal).
- The 4th floor exterior doors to the pool area were all missing allowing the elements to enter the building. However, on May 12, 2021 a construction crew was on-site reportedly to install the doors.
- It was also observed on the 4th floor pool area that the electrical junction boxes for wall lighting are exposed and uncovered. This could allow water intrusion to the building and wall cavities as well.
- A small water puddle was observed at the bathroom entrance in Room 429.
- The First floor was also found to be in a similar open atmosphere condition as the 4th floor. The doors however were in place but were wide open.
- Some very minor water stains were observed in various areas however no elevated moisture was found.
- The use of green board and purple board was observed in many of the moisture-prone areas such as bathrooms, pool rooms, service areas, and kitchen areas. These materials are very good for such areas as it resists moisture much better than standard gypsum board.

CONCLUSION:

No moisture levels were found to be elevated in any of the areas tested in this investigation. Although elevated moisture was not found at the time, a mold and indoor air quality inspection may be recommended as the facility has been open to the elements for quite sometime and may have suffered past water intrusion that has since dried.

It has been a pleasure to provide our services to you. Please feel free to contact us should you have any questions or if you need any further clarification.

Sincerely,

AMERICAN INTEGRATED RESOURCES, INC.

Howard Baba

Howard Baba, CAC, CDPH, REPA
Senior Project Manager

Attachment A – Photos

Attachment B – Moisture Readings

Attachment C – Drawings



American Integrated Resources, Inc.

ATTACHMENT A

PHOTOS



Typical testing location below window



Typical moisture reading below window



Missing door and open electrical junction boxes at pool area of the 4th floor



Minor water puddle in Room 429



American Integrated Resources, Inc.



Slight elevated moisture reading in Room 445 wall behind the bathroom sink (0.8%)



Room 445 behind bathroom sink



Water staining in the outside pool equipment room on the 4th floor pool area



Open doorways and open electrical j-boxes at pool area of the 4th floor



American Integrated Resources, Inc.



Minor staining on the purple board and concrete floor on the north-center rooms of the first floor (0.3 – 0.5%)



Minor staining in the north-center rooms of the first floor



Slight elevated moisture reading and oily water at the open westside area of the first floor (0.8%)



Water stain above bathroom entrance in room 738. Possible roof leak (0.2 – 0.3%)



American Integrated Resources, Inc.

ATTACHMENT B

MOISTURE READINGS PER ROOMS – 7TH FLOOR

Room	Moisture Reading Range (%)	Room	Moisture Reading Range (%)
701	0.2 – 0.4	702	0.3 – 0.4
703	0.2 – 0.4	704	0.3 – 0.4
705	0.2 – 0.4	706	0.2 – 0.4
707	0.2 – 0.4	708	0.2 – 0.4
709	0.2 – 0.4	711	0.2 – 0.4
712	0.2 – 0.4	713	0.2 – 0.4
715	0.2 – 0.4	716	0.2 – 0.4
717	0.2 – 0.4	718	0.2 – 0.4
719	0.2 – 0.4	720	0.2 – 0.4
721	0.2 – 0.4	723	0.2 – 0.4
724	0.2 – 0.4	725	0.2 – 0.4
726	0.2 – 0.4	727	0.2 – 0.4
728	0.2 – 0.4	729	0.2 – 0.4
732	0.2 – 0.4	734	0.1 – 0.4
736	0.2 – 0.4	737	0.2 – 0.4
738	0.2 – 0.4	739	0.3 – 0.4
740	0.2 – 0.4	741	0.2 – 0.4
742	0.2 – 0.4	743	0.3 – 0.4
744	0.2 – 0.4	745	0.3 – 0.4
746	0.3 – 0.4	747	0.2 – 0.4
748	0.3 – 0.4	749	0.2 – 0.4
750	0.2 – 0.4	Elevator Lobby	0.2 – 0.4
Stair H2	0.3 – 0.4	Vestibule	0.3 – 0.4
Freight Lobby	0.3 – 0.4	Stair H1	0.3 – 0.4
Laundry	0.3 – 0.4	Housekeeping	0.3 – 0.4
Electrical	0.4 – 0.5	Vending/Ice	0.4
Stair H3	0.3 – 0.4	Corridors	0.4



American Integrated Resources, Inc.

MOISTURE READINGS PER ROOMS – 6TH FLOOR

Room	Moisture Reading Range (%)	Room	Moisture Reading Range (%)
601	0.1 – 0.4	602	0.1 – 0.4
603	0.2 – 0.4	604	0.2 – 0.3
605	0.2 – 0.3	606	0.1 – 0.4
607	0.1 – 0.4	608	0.1 – 0.4
609	0.2 – 0.4	610	0.2 – 0.3
611	0.2 – 0.4	613	0.2 – 0.4
614	0.2 – 0.4	615	0.2 – 0.4
616	0.2 – 0.4	617	0.2 – 0.3
618	0.2 – 0.4	619	0.2 – 0.3
620	0.2 – 0.4	621	0.2 – 0.4
622	0.3 – 0.4	623	0.2 – 0.3
624	0.2 – 0.3	625	0.1 – 0.3
626	0.1 – 0.3	627	0.1 – 0.3
628	0.2 – 0.3	630	0.2 – 0.4
632	0.2 – 0.5	634	0.2 – 0.4
636	0.2 – 0.4	637	0.2 – 0.3
638	0.1 – 0.3	639	0.2 – 0.3
640	0.2 – 0.4	641	0.2 – 0.4
642	0.2 – 0.4	643	0.2 – 0.4
644	0.2 – 0.4	645	0.2 – 0.4
646	0.2 – 0.3	647	0.2 – 0.3
648	0.2 – 0.3	649	0.2 – 0.5
650	0.1 – 0.3	Elevator Lobby	0.2 – 0.4
Stair H2	0.4 – 0.4	Vestibule	0.4 – 0.4
Freight Lobby	0.4 – 0.4	Stair H1	0.1 – 0.4
Laundry	0.2 – 0.5	Housekeeping	0.3 – 0.4
Electrical	Locked	Vending/Ice	0.2 – 0.3
Stair H3	0.2 – 0.4	Corridors	0.3 – 0.4



American Integrated Resources, Inc.

MOISTURE READINGS PER ROOMS – 5TH FLOOR

Room	Moisture Reading Range (%)	Room	Moisture Reading Range (%)
501	0.1 – 0.4	502	0.2 – 0.4
503	0.2 – 0.4	504	0.2 – 0.4
505	0.1 – 0.4	506	0.2 – 0.4
507	0.2 – 0.3	508	0.2 – 0.4
509	0.2 – 0.3	510	0.2 – 0.3
511	0.2 – 0.3	512	0.1 – 0.3
513	0.2 – 0.3	514	0.1 – 0.3
515	0.2 – 0.4	516	0.2 – 0.4
517	0.2 – 0.3	518	0.2 – 0.3
519	0.2 – 0.4	520	0.1 – 0.3
521	0.2 – 0.3	522	0.2 – 0.3
523	0.2 – 0.4	524	0.2 – 0.3
525	0.2 – 0.3	526	0.1 – 0.3
527	0.3 – 0.4	528	0.2 – 0.3
529	0.3 – 0.3	530	0.1 – 0.4
532	0.3 – 0.3	534	0.1 – 0.3
536	0.1 – 0.3	537	0.2 – 0.4
538	0.1 – 0.3	539	0.2 – 0.3
540	0.1 – 0.4	541	0.2 – 0.4
542	0.1 – 0.3	543	0.2 – 0.4
544	0.2 – 0.4	545	0.3 – 0.4
546	0.2 – 0.4	547	0.2 – 0.4
548	0.2 – 0.4	549	0.2 – 0.4
550	0.2 – 0.3	Elevator Lobby	0.3 – 0.4
Stair H2	0.2 – 0.4	Vestibule	0.2 – 0.4
Freight Lobby	0.2 – 0.4	Stair H1	0.3 – 0.4
Laundry	0.3 – 0.4	Housekeeping	0.3 – 0.4
Electrical	0.4 – 0.5	Vending/Ice	0.2 – 0.4
Stair H3	0.3 – 0.4	Corridors	0.3 – 0.4



American Integrated Resources, Inc.

MOISTURE READINGS PER ROOMS – 4TH FLOOR

Room	Moisture Reading Range (%)	Room	Moisture Reading Range (%)
402	0.2 – 0.5	403	0.2 – 0.4
404	0.3 – 0.4	405	0.2 – 0.4
406	0.3 – 0.4	407	0.1 – 0.4
408	0.2 – 0.4	409	0.1 – 0.3
410	0.2 – 0.4	411	0.2 – 0.3
412	0.2 – 0.3	413	0.2 – 0.3
414	0.2 – 0.4	415	0.2 – 0.3
416	0.2 – 0.3	417	0.1 – 0.4
418	0.3 – 0.4	419	0.1 – 0.3
420	0.2 – 0.4	421	0.1 – 0.4
422	0.2 – 0.3	424	0.2 – 0.4
425	0.1 – 0.5	426	0.3 – 0.5
427	0.2 – 0.5	428	0.3 – 0.4
429	0.2 – 0.5	430	0.3 – 0.4
432	0.2 – 0.5	434	0.2 – 0.4
436	0.2 – 0.5	438	0.2 – 0.4
439	0.3 – 0.4	440	0.2 – 0.4
441	0.2 – 0.4	442	0.2 – 0.4
443	0.1 – 0.4	444	0.2 – 0.4
445	0.2 – 0.4 (0.8)*	446	0.2 – 0.4
447	0.2 – 0.4	448	0.2 – 0.4
Stair H1	0.3 – 0.5	Vestibule H1	0.4 – 0.5
North Storage	0.5 – 0.6	North Electrical	Locked
Laundry	0.4 – 0.5	Center Corridor to Pool Area	0.3 – 0.5
Elevator Lobby	0.3 – 0.5	Stair H2	0.4 – 0.4
Vestibule H2	0.3 – 0.3	Freight Lobby	0.4 – 0.4
Housekeeping	0.4 – 0.5	Vending/Ice	0.3 – 0.3
South Electrical	Locked	Corridors	0.3 – 0.4
Stair H3 (N & S)	0.4 – 0.5	West Corridor to Pool	0.5 – 0.6
Restrooms	0.4 – 0.5	Outside Shower	0.3 – 0.4
Outside Pool Equip	0.4 – 0.5		

*One reading of 0.8% was measured in Room 445 behind the Bathroom sink wall. Although this level does not indicate an elevated reading, it was found to be higher than all the other readings and was therefore noted.



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MOISTURE READINGS PER ROOMS – 1ST FLOOR

Room	Moisture Reading Range (%)	Room	Moisture Reading Range (%)
North Center Rooms	0.4 – 0.5	North East Rooms	0.4 – 0.5
NE Outside Room	0.5 – 0.6	NE Wood Wall	12.7*
East Elevator & Assoc. Wood Walls	10.8 – 13.3*	East Elevator & Assoc. Gypsum Walls	0.3 – 0.5
South Build-Out Walls	0.3 – 0.5	Southwest Kitchen Area	0.4 – 0.5
West Open Area	0.4 – 0.5 (0.8)**	West Outdoor Corridor Area	0.4 – 0.6

*Wood surface readings below 15% is considered normal.

**One reading of 0.8% was measured at the open westside of the First Floor on the wall next to where a small amount of oily water has accumulated. Possible spill of some sort.



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ATTACHMENT C

DRAWINGS



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4th Floor Room Types	
426	DQ-2
427	K-1
428	DQ-1
429	K-2
430	DQ-1
-	-
432	-
-	-
434	DQ-1
-	-
436	DQ-1
-	-
438	DQ-1
439	S-2
440	DQ-1
441	DQ-1
442	DQ-1
443	DQ-1
444	DQ-1
445	K-1.2
446	K-1.2
447	DQ-1.4
448	DQ-1.4
-	-
-	-

[illegible]

4TH FLOOR

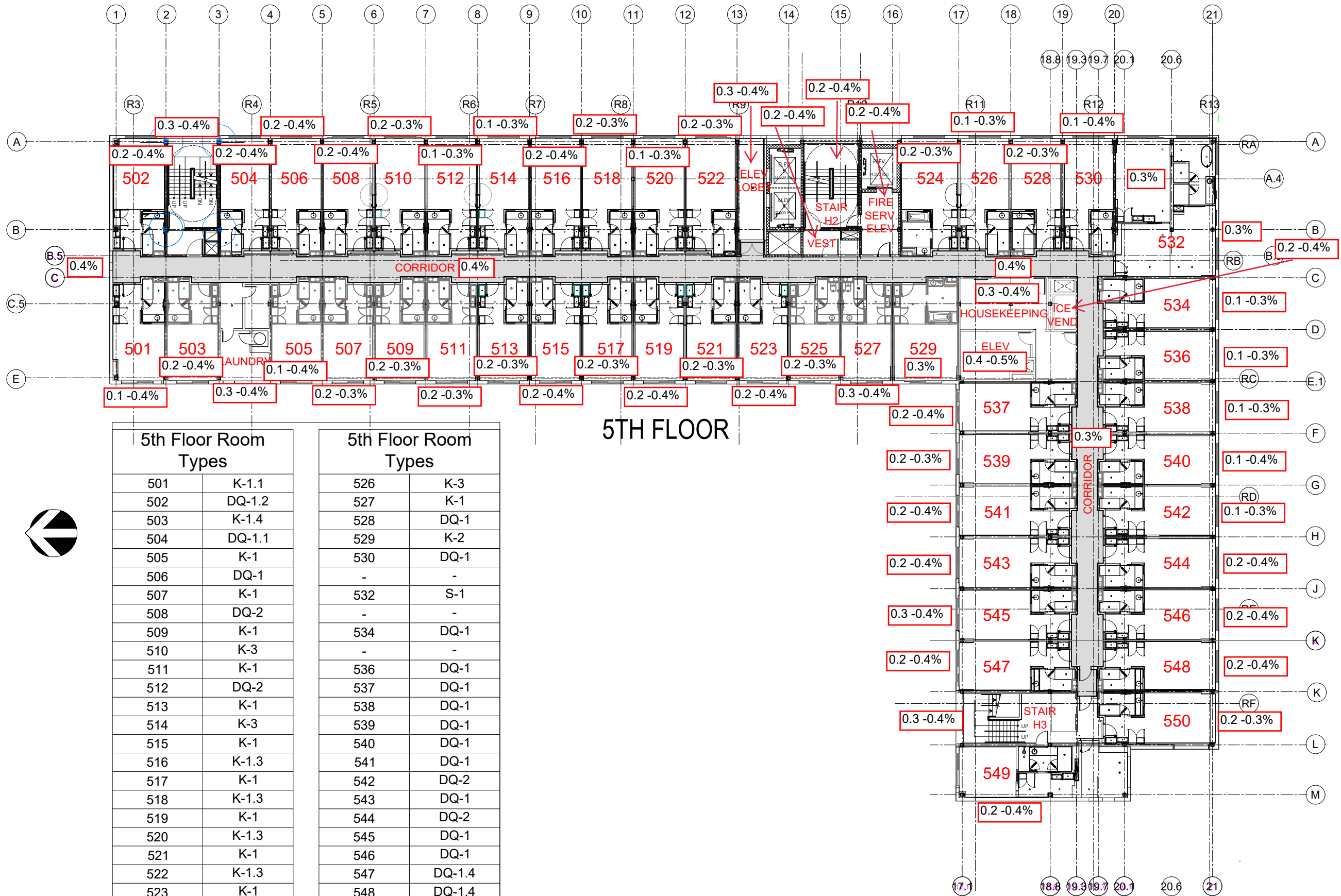
DRAWING DESCRIPTION

-	-	-/-/-	-
-	-	11/30/18	BN
NO.	DESCRIPTION	DATE	BY

4TH LVL

SHEET NUMBER

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5th Floor Room Types	
501	K-1.1
502	DQ-1.2
503	K-1.4
504	DQ-1.1
505	K-1
506	DQ-1
507	K-1
508	DQ-2
509	K-1
510	K-3
511	K-1
512	DQ-2
513	K-1
514	K-3
515	K-1
516	K-1.3
517	K-1
518	K-1.3
519	K-1
520	K-1.3
521	K-1
522	K-1.3
523	K-1
524	DQ-3
525	K-1

5th Floor Room Types	
526	K-3
527	K-1
528	DQ-1
529	K-2
530	DQ-1
-	-
532	S-1
-	-
534	DQ-1
-	-
536	DQ-1
537	DQ-1
538	DQ-1
539	DQ-1
540	DQ-1
541	DQ-1
542	DQ-2
543	DQ-1
544	DQ-2
545	DQ-1
546	DQ-1
547	DQ-1.4
548	DQ-1.4
549	S-3
550	DQ-1.5

5TH FLOOR



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5TH FLOOR

DRAWING DESCRIPTION

NO.	DESCRIPTION	DATE	BY
-	-	-/-/-	-
-	-	11/30/18	BN

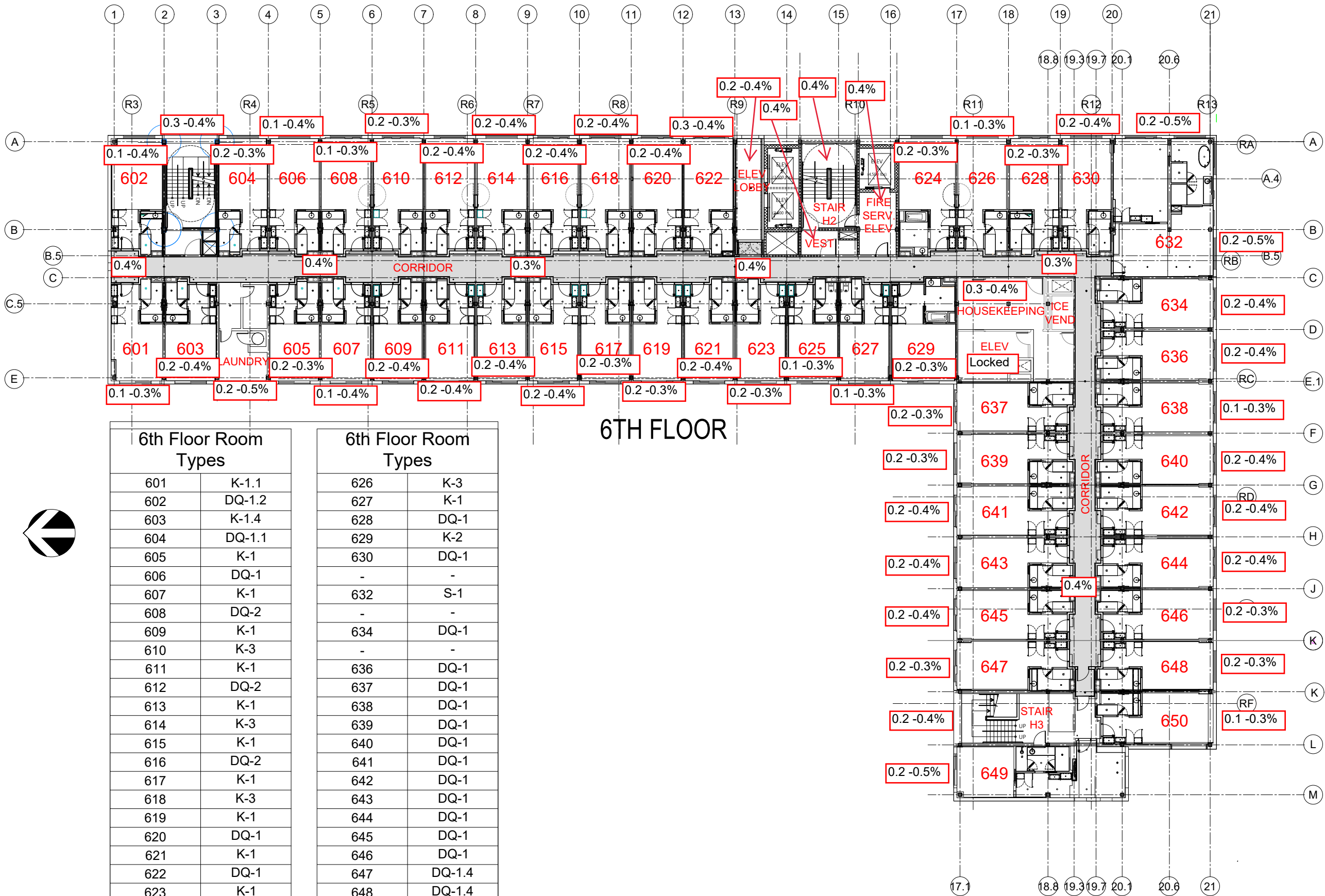
5TH LVL

SHEET NUMBER

c:\room numbers\4th.dwg

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6TH FLOOR

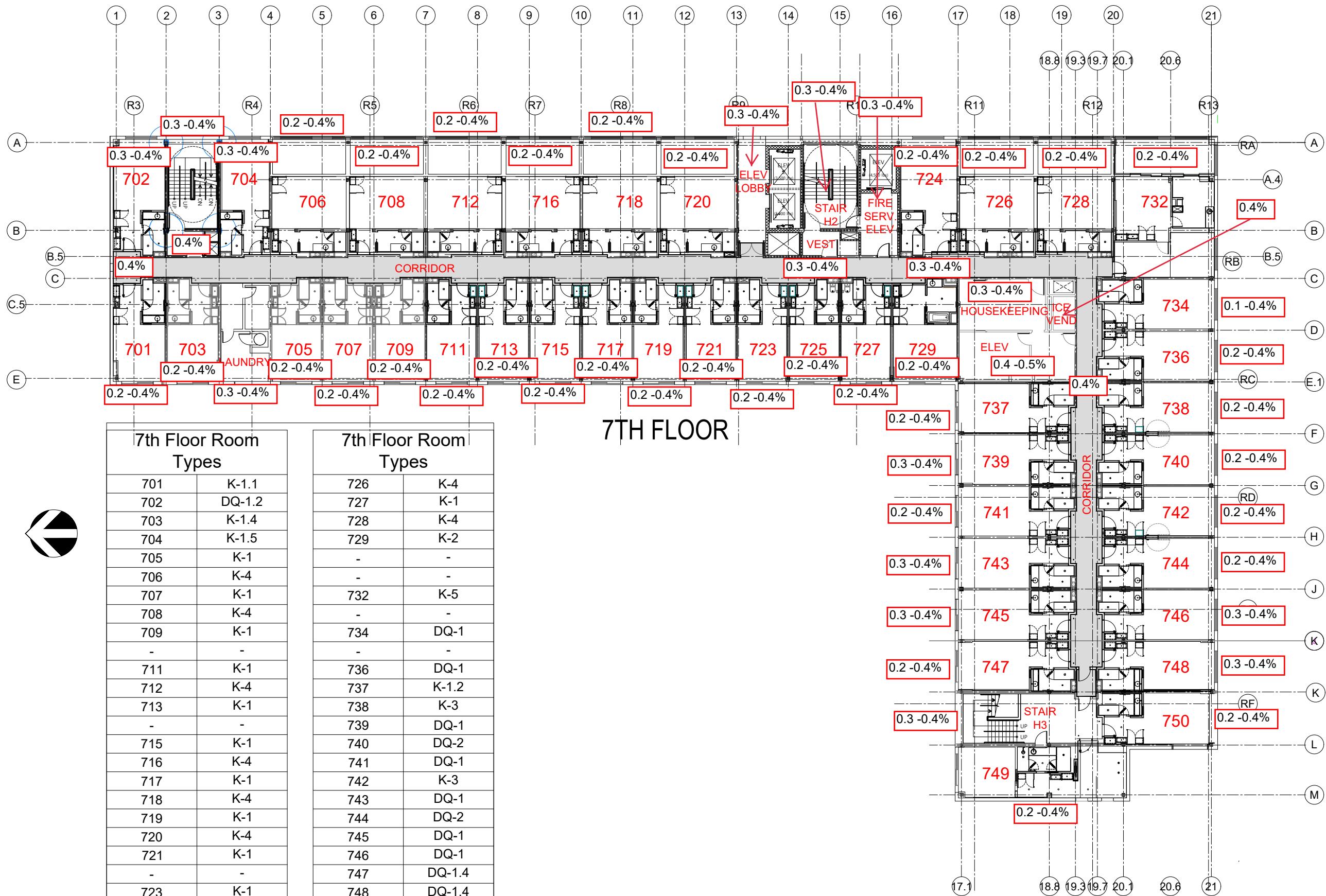
DRAWING DESCRIPTION

NO.	DESCRIPTION	DATE	BY
-	-	-/-/-	-
-	-	11/30/18	BN

6TH LVL

SHEET NUMBER

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7th Floor Room Types	
701	K-1.1
702	DQ-1.2
703	K-1.4
704	K-1.5
705	K-1
706	K-4
707	K-1
708	K-4
709	K-1
-	-
711	K-1
712	K-4
713	K-1
-	-
715	K-1
716	K-4
717	K-1
718	K-4
719	K-1
720	K-4
721	K-1
-	-
723	K-1
724	DQ-1.3
725	K-1

7th Floor Room Types	
726	K-4
727	K-1
728	K-4
729	K-2
-	-
-	-
732	K-5
-	-
734	DQ-1
-	-
736	DQ-1
737	K-1.2
738	K-3
739	DQ-1
740	DQ-2
741	DQ-1
742	K-3
743	DQ-1
744	DQ-2
745	DQ-1
746	DQ-1
747	DQ-1.4
748	DQ-1.4
749	S-3
750	DQ-1.5

7TH FLOOR

7TH FLOOR



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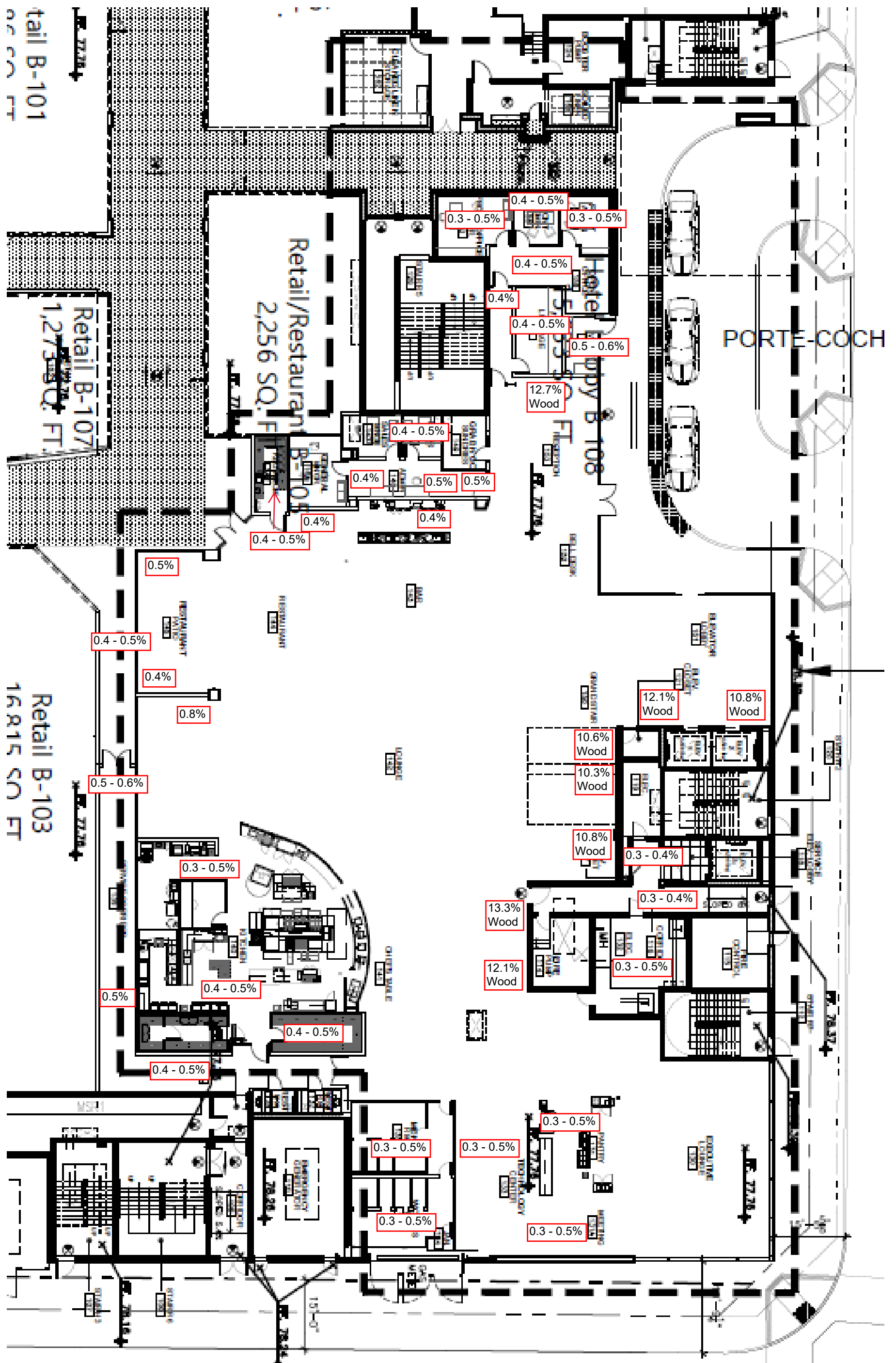
DRAWING DESCRIPTION

NO.	DESCRIPTION	DATE	BY
-	-	-/-/-	-
-	-	11/30/18	BN

7TH LVL

SHEET NUMBER

c:\room numbers\4th.dwg



PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is 10250 Constellation Boulevard, Suite 1700, Los Angeles, CA 90067

A true and correct copy of the foregoing document entitled **SUPPLEMENTAL DECLARATION OF DONALD CHAE IN SUPPORT OF DEBTOR'S SUPPLEMENTAL OPPOSITION TO: (A) MOTION OF SHADY BIRD LENDING, LLC FOR ORDER EXCUSING STATE COURT RECEIVER FROM TURNOVER OF ASSETS PURSUANT TO 11 U.S.C. § 543; AND (B) NOTICE OF MOTION AND MOTION FOR RELIEF FROM THE AUTOMATIC STAY UNDER 11 U.S.C. § 363 (REAL PROPERTY)** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On **May 20, 2021**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- Ron Bender rb@lnbyb.com
- Christopher G. Cardinale ccardinale@agclawfirm.com, mgonzalez@agclawfirm.com
- Michael G Fletcher mfletcher@frandzel.com, sking@frandzel.com
- Amir Gamliel amir-gamliel-9554@ecf.pacerpro.com, cmallahi@perkinscoie.com; DocketLA@perkinscoie.com
- Robert P Goe kmurphy@goeforlaw.com, rgoe@goeforlaw.com; goeforecf@gmail.com
- Nancy S Goldenberg nancy.goldenberg@usdoj.gov
- Peter F Jazayeri peter@jaz-law.com
- Daniel A Lev dlev@sulmeyerlaw.com, ccaldwell@sulmeyerlaw.com; dlev@ecf.inforuptcy.com
- Grant A Nigolian grant@gnpclaw.com, process@gnpclaw.com; grant.nigolian@gmail.com
- Juliet Y Oh jyo@lnbrb.com, jyo@lnbrb.com
- Ho-El Park hpark@hparklaw.com
- Ronald N Richards ron@ronaldrichards.com, morani@ronaldrichards.com
- United States Trustee (SA) ustpreion16.sa.ecf@usdoj.gov

2. SERVED BY UNITED STATES MAIL: On **May 20, 2021**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Nancy S Goldenberg
Office of the United States Trustee
411 W Fourth St Ste 7160
Santa Ana, CA 92701-8000

☐ Service List continued on attached page

1 **3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR**
2 **EMAIL** (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR,
3 on **May 20, 2021**, I served the following persons and/or entities by personal delivery, overnight mail
4 service, or (for those who consented in writing to such service method), by facsimile transmission and/or
5 email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight
6 mail to, the judge will be completed no later than 24 hours after the document is filed.

7 **Served by Overnight Mail**

8 The Honorable Erithe A. Smith
9 U.S. Bankruptcy Court
10 Ronald Reagan Federal Building
11 411 W. Fourth Street, Suite 5040
12 Santa Ana, CA 92701

13 I declare under penalty of perjury under the laws of the United States of America that the foregoing is
14 true and correct.

15 May 20, 2021
16 *Date*

17 Stephanie Reichert
18 *Type Name*

19 /s/ Stephanie Reichert
20 *Signature*